



# *Department of Justice*

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FOR IMMEDIATE RELEASE  
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**JUSTICE DEPARTMENT ISSUES BUSINESS REVIEW LETTER ON  
LAWN AND GARDEN PRODUCTS JOINT VENTURE**

WASHINGTON, D.C. -- The Department of Justice announced today that it does not intend to challenge under the antitrust laws a proposal by fifteen local and regional wholesale distributors of lawn and garden products to form the PRIMESOURCE joint venture to bid for the accounts of multi-regional and national mass-merchandisers.

The Department's position was stated in a business review letter from John W. Clark, Acting Assistant Attorney General in charge of the Antitrust Division, to counsel for the proposed venture.

PRIMESOURCE is being formed to enable its members to compete for multi-regional and national accounts that prefer to do business with distributors that have wider distribution facilities and centralized bidding and administrative functions than the proposed members possess. None of its members has that capacity at present. Only one such national distributor currently exists.

"This proposed joint venture could have a significant

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procompetitive effect by creating an additional national distributor of lawn and garden products to serve those large retailers who require such service," said Clark.

At the same time, Clark stated the proposed venture should not have anticompetitive effects because of the presence of a number of other providers of lawn and garden products, the ability of manufacturers to sell directly to retailers, and PRIMESOURCE's size relative to the industry. In addition, the venture is structured so as to safeguard against unnecessary coordination by competing distributors.

Although member distributors will participate in negotiations with national accounts in conjunction with unaffiliated PRIMESOURCE representatives, only one member at a time will negotiate with a particular account and only PRIMESOURCE representatives, who will not be employed by any member, will convey bid information to other members. Moreover, members will be free to negotiate independently with national accounts.

Under the Department's business review letter procedure, a person or organization may submit a proposed course of action to the Antitrust Division and receive a statement as to whether the Division will challenge the activity under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Legal Procedure Unit of the Antitrust Division, Room 3233, Department of Justice,

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Washington, D.C. 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file.

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